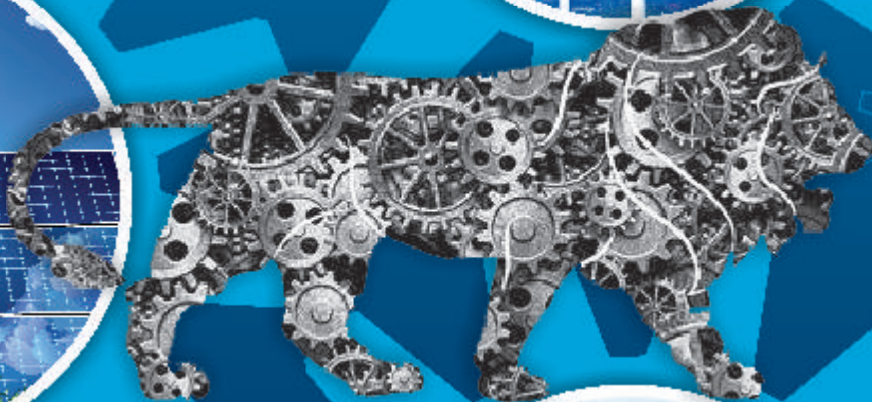




ZF STEERING GEAR (INDIA) LIMITED



36th
Annual Report
2015-2016

www.zfindia.com

Steering Towards Future



BOARD OF DIRECTORS

Chairman & Managing Director

Mr. Dinesh Munot

Jt. Managing Director

Mr. Jinendra Munot

Chief Executive Officer

Mr. Utkarsh Munot

Non-Executive Directors

Mr. Manish Motwani

Mr. Ludwig Rapp

Mr. M. L. Rath

Mr. Shridhar S. Kalmadi

Mr. Ajinkya Arun Firodia

Mr. Jitendra A. Pandit

Mr. S. A. Gundecha

Mrs. Eitika Munot

Mr. Soumitra Bhattacharya

(w.e.f. 04.11.2015)

CHIEF FINANCIAL OFFICER (CFO)

Mr. Jinendra Jain

COMPANY SECRETARY

Mr. Satish Mehta

Audit Committee

Mr. S. A. Gundecha - Chairman

Mr. M. L. Rath

Mr. Jitendra A. Pandit

Stakeholders Relationship Committee

Mr. Jitendra A. Pandit - Chairman

Mr. M. L. Rath

Mrs. Eitika Munot

Nomination and Remuneration Committee

Mr. M. L. Rath - Chairman

Mr. Jitendra A. Pandit

Mr. Manish Motwani

Corporate Social Responsibility Committee

Mr. Dinesh Munot - Chairman

Mr. Jinendra Munot

Mr. Utkarsh Munot

Mr. M. L. Rath

Mrs. Eitika Munot

AUDITORS

M/s. MGM & Co.

Chartered Accountants

SECRETARIAL AUDITOR

Mr. I. U. Thakur

Company Secretary

REGISTERED OFFICE & WORKS

Gat Nos. 1242 & 1244,

Village Vadu Budruk,

Tal. Shirur, Dist. Pune – 412 216

Maharashtra

CIN: L29130PN1981PLC023734

Tel: 02137-305100

Fax: 02137- 305302

E-mail Id: enquiry@zfindia.com

Web: www.zfindia.com

BANKERS

Kotak Mahindra Bank

Deutsche Bank AG

HDFC Bank

Bank of Maharashtra

Canara Bank

Yes Bank

SHARE TRANSFERAGENTS

Link Intime India Pvt. Ltd.

Block No. 202, A Wing, 2nd Floor,

Akshay Complex, Off. Dhole Patil Road,

Pune – 411 001

Tel: 020-26160084,

Fax: 020- 26163503

E- mail: pune@linkintime.co.in

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NOTICE

Notice is hereby given that the **Thirty-Sixth Annual General Meeting** of the Members of **ZF STEERING GEAR (INDIA) LIMITED** will be held as scheduled below:

Day : Wednesday

Date : September 28, 2016

Time : 3.00 p.m.

Place : Registered Office of the Company,

Gat Nos. 1242/ 44, Village Vadu Budruk,

Tal. Shirur, Dist. Pune-412 216.

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a) the (Standalone) Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, together with the Reports of the Directors and the Auditors thereon, and
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend of Rs. 12.50 per share for the financial year 2015-16.
3. To appoint a Director in place of Mr. Ludwig Rapp (DIN: 00700693), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/S. MGM & Company, Chartered Accountants (Firm Registration Number: 117963W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 500,000 plus service tax and out of pocket expenses.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Soumitra Bhattacharya (DIN: 02783243), who was appointed as an Additional Director of the Company, with effect from November 4, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 (**the Act**) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (**the Act**), if any and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and of the Articles of Association of the Company, consent and approval of the Company be and is hereby accorded to the appointment of Mr. Utkarsh Munot (DIN:00049903) as the 'Chief Executive Officer (CEO)' of the Company for a period of five years effective from May 19, 2016 to May 18, 2021, and whose term of office shall be liable to determination by retirement of Director by rotation, on the terms and conditions including remuneration as detailed below, with authority and power, to the Board of Directors to alter, vary or modify the terms and conditions of the said appointment and / remuneration, as it may deem fit and with the acceptance of Mr. Utkarsh Munot and subject to the same not exceeding the limits specified under Schedule V to the Act, as in force from time to time during the said tenure.

- a) Mr. Utkarsh Munot shall perform his functions under the direct control and superintendence of the Board of Directors.
- b) Mr. Utkarsh Munot shall be entitled to the following remuneration.
 - (i) **Salary:** Rs. 7,00,000 (Rupees Seven lac) per month, with annual increment of 15%. Increment shall start from April 2017.
 - (ii) **Commission:** Mr. Utkarsh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board of Directors/ Nomination and Remuneration Committee of Directors.
 - (iii) **Perquisites:** In addition to the salary and commission, the following perquisites shall be made available/ paid to Mr. Utkarsh Munot. The perquisites shall be evaluated as per Income Tax Rules, 1962, as applicable.
 - **Housing:** 60% of the Salary will be paid to Mr. Utkarsh Munot as House - rent Allowance per month.
 - **Stock Option:** Participation to employee stock option scheme as may be evolved by the Company from time to time.
 - **Medical Reimbursement:** Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for Mr. Utkarsh Munot and his family as may be

approved by the Board of Directors or as per the rules of the Company.

- **Leave Travel Concession:** One month's salary as Leave travel concession for Mr. Utkarsh Munot and his family once in a year incurred in accordance with the rules of the Company.
- **Club Fees:** Reimbursement of membership fee up to 2 clubs, including admission and life membership fee.
- **Personal Accident Insurance:** Personal Accident Insurance Policy cover as per the rules of the Company.
- **Hospitalization Insurance:** Hospitalization Insurance for self and family as per the rules of the Company.
- **Provident Fund:** Company's Contribution to Provident Fund/ Special Salary in lieu thereof, in accordance with the rules of the Company.
- **Gratuity:** Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- **Leave:** Leave with full pay or encashment as per the rules of the Company.
- **Free Gas, Electricity and Water** facilities at residence or reimbursement thereof.

c) **Other Perquisites:** Mr. Utkarsh Munot may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide. Mr. Utkarsh Munot shall be entitled to the following amenities.

- (i) **Provision of Car:** The Company shall provide car/s with chauffeur for official as well as personal purpose.
- (ii) **Communication facilities:** Telephone/ Telefax and other suitable communication facilities at residence.

d) **General:** Mr. Utkarsh Munot shall have such powers, duties and responsibilities, as may be determined by the Board of Directors, from time to time

- The contract can be terminated by giving six months' notice by either party.
- Mr. Utkarsh Munot shall adhere to the Company's Code of Conduct, provisions contained in Section 166 of the Act and in the Articles of Association of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in/ for any financial year, the remuneration payable to Mr. Utkarsh Munot shall be governed by Section II of

Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors (also deemed to include the Nomination and Remuneration Committee of Director) be and is hereby authorized to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment, as it may deem fit and to execute any agreement/s, document/s etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 203 and Section 14 and any other applicable provisions of the Companies Act, 2013 and the Rules framed there under, the Articles of Association of the Company be and is hereby amended by inserting the following Article as Article 117A after the existing Article 117:

117A: An individual may be appointed or re-appointed as the Chairperson of the Company as well as the Managing Director or the Chief Executive Officer of the Company at the same time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (**the Act**), if any and of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and of the Articles of Association of the Company, consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Dinesh Munot (DIN: 00049801) as the 'Chairman and Managing Director' of the Company for a period of five years effective from July 28, 2016 to July 27, 2021, on the terms and conditions including remuneration as detailed below, with authority and power, to the Board of Directors to alter, vary or modify the terms and conditions of the said appointment and / remuneration, as it may deem fit and with the acceptance of Mr. Dinesh Munot and subject to the same not exceeding the limits specified under Schedule V to the Act, as in force from time to time during the said tenure.

- a) Mr. Dinesh Munot shall perform functions related to the overall management and control of the business

of the Company under the superintendence, direction and control of the Board of Directors.

b) Mr. Dinesh Munot shall be entitled to the following remuneration.

(i) **Salary:** Rs. 15 lac per month, with annual increment of 15%. Increment shall start from April 2017.

(ii) **Commission:** Mr. Dinesh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board of Directors/ Nomination and Remuneration Committee of Directors.

(iii) **Perquisites:** In addition to the salary and commission, the following perquisites shall be made available/ paid to Mr. Dinesh Munot. These perquisites shall be valued as per the Income Tax Rules, 1962, as applicable.

- **Housing:** 60% of the Salary will be paid to Mr. Dinesh Munot as House - rent Allowance per month.
- **Stock Option:** Participation to employee stock option scheme as may be evolved by the Company from time to time.
- **Medical Reimbursement:** Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for Mr. Dinesh Munot and his family as may be approved by the Board of Directors or as per the rules of the Company.
- **Leave Travel Concession:** One month's salary as Leave Travel Concession for Mr. Dinesh Munot and his family once in a year in accordance with the rules of the Company.
- **Club Fees:** Reimbursement of membership fee up to 2 clubs, including admission and life membership fee.
- **Personal Accident Insurance:** Personal Accident Insurance Policy cover as per the rules of the Company.
- **Hospitalization Insurance:** Hospitalization Insurance for self and family, as per the rules of the Company.
- **Provident Fund:** Company's Contribution to Provident Fund/ Special Salary in lieu thereof, in accordance with the rules of the Company.
- **Gratuity:** Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

- **Leave:** Leave with full pay or encashment as per the rules of the Company.

- **Free Gas, Electricity and Water** facilities at residence or reimbursement thereof.

c) **Other Perquisites:** Mr. Dinesh Munot may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide. Mr. Dinesh Munot shall be entitled to the following amenities.

(i) **Provision of Car:** The Company shall provide car/s with chauffeur for official as well as personal purpose.

(ii) **Communication facilities:** Telephone/ Telefax and other suitable communication facilities at residence.

d) **General:** Mr. Dinesh Munot shall have such powers, duties and responsibilities, as may be determined by the Board of Directors, from time to time

- The contract with him can be terminated by giving six months' notice by either party.
- Mr. Dinesh Munot shall adhere to the Company's Code of Conduct, provisions contained in Section 166 of the Act and in the Articles of Association of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in/ for any financial year, the remuneration payable to Mr. Dinesh Munot shall be governed by Section II of Schedule V of the Act and Rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors (also deemed to include the Nomination and Remuneration Committee of Directors) be and is hereby authorized to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment, as it may deem fit and to execute any agreement/s, document/s etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the approval, being granted by this resolution by the Company, to the appointment of Mr. Dinesh Munot for the term of 5 years shall be deemed to be the approval, as per the provisions of Section 196 of the Act irrespective of his attaining the age of 70 years on December 8, 2017 and the appointment being approved by this special resolution shall remain in force for the full term of 5 years from July 28, 2016."

9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, and the Memorandum and the Articles of Association of the Company, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (**the Board**), to mortgage and/ or create charge(s), in addition to the mortgages and charges created/ to be created by the Company, in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any part of the movable and/ or immovable properties of the Company, wherever situate, and/ or the interest held by the Company in all or any of the movable and/ or immovable properties, both present and future, and the whole or substantially the whole of all or any of the undertakings of the Company in favour of one or more banks and/or financial institutions, agents or trustees or others for securing the borrowings of the Company, availed/ to be availed by way of loan(s) and/ or issue of securities (debentures, bonds or other debt instruments) and/ or any banking or financial or other facilities or arrangements made/ to be made, provided that the charges created/ to be created shall be for securing a sum, which shall not exceed the aggregate of the paid up capital of the Company and its free reserves, from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise and execute such documents, deeds, writings, papers, agreements, as may be required and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid.”

By Order of the Board of Directors
For **ZF Steering Gear (India) Ltd.**

Satish Mehta
Company Secretary
Membership No. : F3219

July 28, 2016

Registered Office:

Gat No. 1242/44, Village Vadu Budruk,

Tal. Shirur, Dist. Pune - 412 216.

CIN: L29130PN1981PLC023734

Notes:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business mentioned in the Notice is annexed hereto.
- 3) Profiles of the Directors being appointed/ re-appointed, as required by the Corporate Governance Code under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 entered into with the Stock Exchange), are annexed to the Notice.
- 4) Members/ Proxies/ Representatives should bring the enclosed duly filled attendance slip, for attending the Meeting. Copies of the Annual Report or Attendance Slip will not be distributed at the Meeting.

5) Voting through electronic means:

- A. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with 'Central Depository Services (India) Limited' (CDSL) to facilitate remote e-voting.

Remote E-voting is optional and members shall have the option to vote either through remote e-voting or by way of poll-paper at the Annual General Meeting. Members who have cast their votes by remote e-voting prior to Meeting, may attend the Meeting, but shall not be entitled to cast their votes again.

The Board of Directors have appointed Mr. I. U. Thakur, Practicing Company Secretary (C. P. No. 1402), who in the opinion of the Company, is a duly qualified person, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

- The voting period begins on September 25, 2016 (9 a.m.) and ends on September 27, 2016 (5 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2016 (End of Day), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

- If you are a first time user follow the steps given below:
- After entering these details appropriately, click on “**SUBMIT**” tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) **For Members holding shares in physical form**, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **< ZF Steering Gear (India) Limited >** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- B. In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of electronic voting, the date of declaration of result shall be deemed to be the date of passing of the said resolution at the Annual General Meeting.
- C. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2016. Shareholders are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent.
- D. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting, in the presence of at least two witnesses, not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.

The Results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.zfindia.com and on the website of CDSL. The results shall simultaneously be communicated to the BSE Limited.
- 6) A copy of this notice has been placed on the website of the Company and on the website of CDSL.
- 7) The Register of Members and Share Transfer Books of the Company will be closed from September 26, 2016 to September 28, 2016 (both days inclusive).
- 8) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

- 9) The Register of Contracts or Arrangement in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- 10) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company, so as to reach it at least ten days before the date of the Meeting, so that information can be made available at the Meeting.
- 11) Members holding shares in physical form are requested to intimate the changes, if any, in their registered addresses, to the Company's Registrar & Share Transfer Agents Link Intime India Pvt. Ltd., Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune- 411 001.
- 12) Members are advised that respective bank details and address as furnished by them or by NSDL/ CDSL to the Company, for shares held in physical form and in the dematerialized form respectively, will be printed on their dividend warrants so as to protect against fraudulent encashment.
- 13) To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with 'Link Intime India Pvt. Ltd.', if shares are held in physical mode or with their DPs, if the holding is in electronic mode. The registered e-mail address will be used for sending future communications.
- 14) The route map showing directions to reach venue of the thirty-sixth AGM is annexed.
- 15) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, (Section 124 of the Companies Act, 2013) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, unclaimed dividends for the financial years 1995-96 to 2007-08 have been transferred to the IEPF. Unclaimed dividend for F. Y. 2008-09 is due for transfer in August 2016. Unclaimed dividend for financial years 2009-10 and thereafter is still lying with the Company. Shareholders who have not yet encashed the dividend warrants for financial years 2009-10 and thereafter are requested to contact the Company at the earliest since no claim shall lie against the Company or the IEPF after transfer as mentioned above. The details of unclaimed dividends of the aforesaid years are available on the Ministry of Corporate Affairs website at www.mca.gov.in and on the website of the Company viz. www.zfindia.com
- 16) The Annual Report 2015-16 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.zfindia.com and also on the website of the BSE Ltd. (Bombay Stock Exchange) at www.bseindia.com.
- 17) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested

to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, Link Intime India Pvt. Ltd.

- 18) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the 36th Annual General Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
- 19) In this Notice and Annexure thereto, the terms 'Shareholders' and 'Members' are used interchangeably.

Important Communication to Members

The following are the Company's recommendations to the shareholders/investors:

Open Demat Account and Dematerialize your shares

Investors should convert their physical holdings of securities into demat holdings. Holding securities in demat form helps investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

Consolidate Multiple Folios

Investors should consolidate their shareholding held in multiple folios. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

Register NECS Mandate and furnish correct bank account particulars with Company/ Depository Participant (DP)

Investors holding the shares in physical form should provide the National Electronic Clearing Services (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from Companies and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.

Submit Nomination Form

As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in case of physical shares with the Company and in case of dematerialized shares with their DP. Nomination would help the nominees to get the shares transmitted in their favor. Investors must ensure that nomination made is in the prescribed Form and must be witnessed by two witnesses in order to be effective. The Form may be downloaded from the Company's website www.zfindia.com under the section 'Investor'.

Annexure to the Notice

Explanatory Statement in respect of the Special Business pursuant to Section 102(1) of the Companies Act, 2013.

Item No. 5

Mr. Soumitra Bhattacharya is a Non-Executive Non-Independent Director of the Company. He was appointed as an Additional Director of the Company by the Board of Directors with effect from November 4, 2015, pursuant to provisions of Section 161 of the Act and the Articles of Association of the Company and holds office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a Member along with a deposit of Rupees one lac, under Section 160 of the Act, proposing his candidature for the office of Director, liable to retire by rotation.

Brief resume of Mr. Soumitra Bhattacharya, along with the particulars stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given herein under and forms part of the Notice.

The Board considers that the continued association of Mr. Soumitra Bhattacharya would be in the interest of the Company and it is desirable to continue to avail of the services of the proposed Director. Accordingly, the Board recommends the Ordinary Resolution set out at the Item No. 5 of the Notice for approval by the Members of the Company.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, is concerned or interested, whether financially or otherwise, in this Resolution except Mr. Soumitra Bhattacharya.

Item No. 6

Mr. Utkarsh Munot was re-appointed as the 'Executive Director' of the Company for a period of 5 years from November 1, 2011 to October 31, 2016, which appointment was approved by the Members of the Company in their 32nd Annual General Meeting held on July 28, 2012.

Considering his outstanding contribution, capacity to shoulder higher responsibilities and based on the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Utkarsh Munot as the 'Chief Executive Officer (CEO)' of the Company, for a period of five years from May 19, 2016 to May 18, 2021, subject to the approval of the Shareholders at the Annual General Meeting.

Brief resume of Mr. Utkarsh Munot, along with the particulars stipulated under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given herein under and forms part of the Notice.

The terms of employment mentioned in the proposed resolution at item no 6, may be treated as a written memorandum setting out the terms of appointment of Mr. Utkarsh Munot under Section 190 of the Act.

The Board of Directors recommends the Ordinary Resolution for approval of the Members of the Company, subject to the necessary permission, if required, as laid down in the item no. 6.

None of the Directors or any other key managerial personnel of the Company or relatives thereof, except Mrs. Eitika Munot and Mr. Dinesh Munot, being relatives of Mr. Utkarsh Munot and Mr. Utkarsh Munot, himself, is concerned or interested, whether financially or otherwise, in this resolution.

Item No. 7

Pursuant to the Proviso to Section 203(1) of the Companies Act, 2013, an individual shall not be appointed or re-appointed as the

chairperson of a company, in pursuance of the articles of the company, as well as the managing director or Chief Executive Officer of the company at the same time, after the date of commencement of Companies Act, 2013, unless (a) the articles of such a company provide otherwise; or (b) the company does not carry multiple businesses.

The resolution at Item No. 7 of the Notice, to be passed as special resolution, is to amend the Articles of Association of the Company and grant approval/ permission for appointment of an individual simultaneously as the Chairperson of the Company and as the Managing Director or the Chief Executive Officer of the Company.

A copy of the Articles of Association of the Company together with the proposed alteration would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or any other key managerial personnel of the Company or relatives thereof, except Mr. Jinendra Munot, Mr. Utkarsh Munot and Mrs. Eitika Munot, being relatives of Mr. Dinesh Munot and Mr. Dinesh Munot, himself, is concerned or interested, whether financially or otherwise, in this Resolution.

Item No. 8

Mr. Dinesh Munot was re-appointed as the 'Chairman and Managing Director' of the Company for a period of 5 years with effect from December 14, 2011 to December 13, 2016, which appointment was approved by the Members of the Company in their 32nd Annual General Meeting held on July 28, 2012.

As per the requirement of the Schedule V Part I (c) of the Act, if a Managing or Whole Time Director has attained the age of 70 years, then his appointment/ continuation needs to be approved by a special resolution passed by the Company in General Meeting, no further approval of the Central Government shall be necessary for such appointment.

Mr. Dinesh Munot is a graduate in Electrical Engineering from M.I.E. He has over 42 years' experience in the Automotive Industry. He has been the driving force behind the Company and has successfully steered the Company's operations since 1986. In the year 2010, he was appointed as Chairman and Managing Director of ZF Steering Gear (India) Limited. He was elected as 'President' of Automotive Components Manufacturers Association of India (ACMA). He was bestowed with 'Lifetime Achievement Award' by the Nagar Road Industry Chamber of Commerce, Pune. Keeping in view that Mr. Dinesh Munot has rich and varied experience in the Industry and has been thoroughly involved in the day-to-day operations of the Company, over a long period of time, it would be in the best interest of the Company to continue Mr. Dinesh Munot as the Chairman and Managing Director.

Mr. Dinesh Munot will attain the age of 70 years on December 8, 2017.

Based on the recommendation of the Nomination and Remuneration Committee of Directors, the Board re-appointed Mr. Dinesh Munot as the 'Chairman and Managing Director' of the Company, for a period of five years from July 28, 2016 to July 27, 2021, subject to the approval of the Members at the Annual General Meeting including approval as envisaged by the provisions of section 196(3) of the Act. Considering experience, expertise and in-depth knowledge of Mr. Dinesh Munot regarding the business of the Company and the products being manufactured by the Company; the Board of Directors and the Nomination and Remuneration Committee of Directors thought it fit to renew the contract of employment with Mr. Dinesh Munot for a further period of 5 years and revise his remuneration, considering the industry standards. Accordingly, it is recommended that the Members of the Company should consider and approve this proposal.